Statement-II

Details of the amount sanctioned from CDBS towards opening of trade centres

(Rs. in crores)

Name of the Project	Total Cost	CIB Contribution
Trade Centre, Sutarkhandi	8.16	6.53
Trade Centre, Manakchar	4.26	3.4083
Trade Centre, Guwahati	13.40	13.40

Tourism industry in India

*596. SHRI NANA DESHMUKH: Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) whether it is a fact that there has been only 2.24 lakh tourists visiting the country in December, 2001 as compared to 2.83 lakh in the same month last year registering thereby a fall of 21 per cent in the tourist flow;

(b) whether it is also a fact that India has the highest taxed tourism business as consumers pay nearly 40 per cent in luxury expenditure and sales tax in comparison to roughly 4 per cent in Thailand;

(c) if so, the reasons therefor; and

(d) the steps being taken by Government to make the Indian tourism industry a lucrative one?

THE MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN): (a) The foreign tourist arrival to the country in December, 2001 was 2.54 lakh as compared to 3.13 lakh in December, 2000 thus showing a decline of 18.8 percent.

(b) and (c) The luxury tax on hotels and sales tax are levied by the State Governments. These rates vary from State to State. The luxury tax rates vary from 0 to 20 percent and the sales tax rates from 0 to 23 percent for food, 0 to 23.2 percent for soft drinks, 0 to 59.4 percent for Indian manufactured liquor and 0 to 90 percent for imported liquor.

(d) The Central Government in its budget proposals 2002-03 has announced the following tax concessions relating to tourism:

- Exemption of Air Travel Tax on air travel from and to North East.
- Service tax exemption given earlier to be extended for one more year. In cases of functions and banquets where the entire bill is for catering services, no service tax would be charged.
- Expenditure Tax on hotels henceforth to apply only to room charges.
- Threshold of Rs. 2000 raised to Rs. 3000 for levy of Expenditure Tax.
- Disparities between 80 HHC and 80 HHD of the Income Tax Act removed (Under Section 80 HHC the exemption is for 100% of the total foreign exchange earnings. But for hotels, under section 80 HHD it was 50% and the balance 50% was exempted if it was kept in a reserve and used for specified purposes). Now this disparity stands removed.
- Deduction of 50% of profits earned by units setting up convention centres will be allowed for 5 years under section 80 IB of the Income Tax Act.
- Customs Duty on imported liquor reduced from 210% to 182%.
- TDS under Section 194 H of the Income Tax Act reduced from 10% to 5%.

Besides the above, the Department of Tourism has the following short-term and long-term plans to make tourism more attractive and thereby Indian Tourism industry a lucrative one:

(1) Positioning and maintaining tourism development as a National priority activity;

(2) Enhancing and maintaining the competitiveness of India as a tourism destination;

(3) Improving India's existing tourism products and expanding these to meet new market requirements;

(4) Creation of world class infrastructure;

(5) Developing sustained and effective market plans and programmes;

(6) Special thrust to rural and small segment tourism; and

(7) Attention to civilizational issues and issues pertaining to civic administration, good governance and also of social and cultural values.

Reference of sugar mills to BIFR for revival

*597. SHRI SANTOSH BAGRODIA : Will the Minister of FINANCE be pleased to state:

(a) the details of the sugar mills referred to the Board for Industrial Finance and Reconstruction (BIFR) for revival and reconstruction since the inception of BIFR;

(b) the details of mills since closed down and those taken up for revival and restoration, State-wise and mill-wise; and

(c) the details of the terms of revival for each sugar unit and their present status?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) to (c) The Board for Industrial and Financial Reconstruction (BIFR) has reported that as on 31st December, 2001, cases of 42 sick sugar companies were registered with it under the provisions of the Sick Industrial Companies (Special Provisions) Act,1985 (SICA).

Out of these, BIFR has sanctioned revival scheme in five cases and Draft Rehabilitation Scheme (DRS) has been circulated in one case. As regards closure of sick sugar mills, winding up was recommended by BIFR in 6 cases and in another five cases notices for winding up have been issued bringing these cases to 17. The State-wise and mill-wise details are given in the Statement (*See* below). Rest of the cases are in various stages before the BIFR.

As regards the details of terms of revival, BIFR has reported that sick sugar companies registered with the Board are dealt with in accordance with the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. Wherever feasible, rehabilitation schemes are sanctioned by the Board for the revival of these companies by various measures provided u/s 18 of SICA, which include restructuring of the capital, induction of fresh funds by the promoters, including Government for public sector units, merger with other companies,